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Department of Real Estate  
P.O. Box 187007  
Sacramento, CA 95818-7007  
  
Telephone: (916) 227-0781

**FILED**

AUG 13 2013

BUREAU OF REAL ESTATE

By *D. Jones*

BEFORE THE DEPARTMENT OF REAL ESTATE  
STATE OF CALIFORNIA

\*\*\*

In the Matter of the Accusation of  
  
HOME LOAN SERVICE CORPORATION,  
and KEITH CHARLES KNAPP,  
  
Respondents.

No. H-11529 SF  
  
STIPULATION AND  
AGREEMENT

It is hereby stipulated by and between HOME LOAN SERVICE CORPORATION, and KEITH CHARLES KNAPP (Respondents), and the Complainant, acting by and through Truly Sughrue, Counsel for the Department of Real Estate (Department), as follows for the purpose of settling and disposing the Accusation (Accusation) filed on March 15, 2013 in this matter:

1. All issues which were to be contested and all evidence which was to be presented by Complainant and Respondents at a formal hearing on the Accusation, which hearing was to be held in accordance with the provisions of the Administrative Procedure Act (APA), shall instead and in place thereof be submitted solely on the basis of the provisions of this Stipulation and Agreement.

2. Respondents have received, read, and understand the Statement to Respondent, and the Discovery Provisions of the APA filed by the Department in this proceeding.

1           3.       Respondents filed a Notice of Defense pursuant to Section 11505 of the  
2 Government Code for the purpose of requesting a hearing on the allegations in the Accusation.  
3 Respondents hereby freely and voluntarily withdraw said Notice of Defense. Respondents  
4 acknowledge that they understand that by withdrawing said Notice of Defense they will thereby  
5 waive their rights to require the Real Estate Commissioner (Commissioner) to prove the  
6 allegations in the Accusation at a contested hearing held in accordance with the provisions of the  
7 APA, and that they will waive other rights afforded to them in connection with the hearing such  
8 as the right to present evidence in defense of the allegations in the Accusation and the right to  
9 cross-examine witnesses.

10           4.       This stipulation is based on the factual allegations contained in the  
11 Accusation. In the interest of expediency and economy, Respondents choose not to contest these  
12 factual allegations, but to remain silent and understands that, as a result thereof, these factual  
13 statements will serve as a prima facie basis for the "Determination of Issues" and "Order" set  
14 forth below. The Commissioner shall not be required to provide further evidence to prove such  
15 allegations.

16           5.       This Stipulation and Respondents' decision not to contest the Accusation  
17 are made for the purpose of reaching an agreed disposition of this proceeding and are expressly  
18 limited to this proceeding and any other proceeding or case in which the Department, the state or  
19 federal government, an agency of this state, or an agency of another state is involved.

20           6.       Respondents understand that by agreeing to this Stipulation and  
21 Agreement, Respondents agrees to pay, pursuant to Section 10148 of the California Business  
22 and Professions Code (Code), the cost of the audit, which resulted in the determination that  
23 Respondents committed the trust fund violation(s) found in the Determination of Issues. The  
24 amount of said costs is \$4,604.03.

25           7.       Respondents further understand that by agreeing to this Stipulation and  
26 Agreement, the findings set forth below in the Determination of Issues become final, and that  
27 the Commissioner may charge said Respondents for the costs of any audit conducted pursuant to

1 Section 10148 of the Code to determine if the violations have been corrected. The maximum  
2 costs of said audit shall not exceed \$4,604.03.

3 8. It is understood by the parties that the Commissioner may adopt the  
4 Stipulation and Agreement as his decision in this matter thereby imposing the penalty and  
5 sanctions on the real estate licenses and license rights of Respondents as set forth in the below  
6 "Order". In the event that the Commissioner in his discretion does not adopt the Stipulation and  
7 Agreement, it shall be void and of no effect, and Respondents shall retain the right to a hearing  
8 and proceeding on the Accusations under all the provisions of the APA and shall not be bound by  
9 any admission or waiver made herein.

10 9. The Order or any subsequent Order of the Commissioner made pursuant to  
11 this Stipulation and Agreement shall not constitute an estoppel, merger or bar to any further  
12 administrative or civil proceedings by the Department with respect to any matters which were not  
13 specifically alleged to be causes for action in Accusation H-11529 SF.

14 \* \* \*

15 DETERMINATION OF ISSUES

16 By reason of the foregoing stipulations and waivers and solely for the purpose of  
17 settlement of the pending Accusation without a hearing, it is stipulated and agreed that the  
18 following determination of issues shall be made:

19 I

20 The acts and omissions of HOME LOAN SERVICE CORPORATION (HLSC)  
21 as described in the First Cause of Action of the Accusation are grounds for the suspension or  
22 revocation of HLSC licenses and license rights under Sections 10177(d) and 10166.051 of the  
23 Code in conjunction with Section 10145 of the Code and Section 2832.1 of the Regulations.

24 II

25 The acts and/or omissions of KEITH CHARLES KNAPP (KNAPP) as described  
26 in the Second Cause of Action of the Accusation is cause for the suspension or revocation of  
27

1 KNAPP's license and/or license rights under Section 10159.2 of the Code in conjunction with  
2 Sections 10177(d) and 10166.051 of the Code.

3 \* \* \*

4 ORDER

5 I

6 1. All licenses and licensing rights of HLSC under the Real Estate Law are publicly  
7 reproved.

8 II

9 1. All licenses and licensing rights of KNAPP under the Real Estate Law are  
10 publicly reproved.

11 2. All licenses and licensing rights of KNAPP are indefinitely suspended unless or  
12 until Respondent provides proof satisfactory to the Commissioner, of having taken and  
13 successfully completed the continuing education course on trust fund accounting and handling  
14 specified in paragraph (3) of subdivision (a) of Section 10170.5 of the Code. Proof of  
15 satisfaction of this requirement includes evidence that respondent has successfully completed the  
16 trust fund account and handling continuing education course within 120 days prior to the  
17 effective date of the Decision in this matter.


18  
19 III

20 1. Pursuant to Section 10148 of the Code, Respondents shall jointly and severally pay  
21 the sum of \$4,604.03 for the Commissioner's cost of the audit which led to this disciplinary  
22 action. Respondents shall pay such cost within sixty (60) days of receiving an invoice from the  
23 Commissioner. The Commissioner may suspend the Respondents license pending a hearing held  
24 in accordance with Section 11500, et seq., of the Government Code, if payment is not timely made  
25 as provided for herein, or as provided for in a subsequent agreement between the Respondents  
26 and the Commissioner. The suspension shall remain in effect until payment is made in full or  
27 until Respondents enter into an agreement satisfactory to the Commissioner to provide for

1 payment, or until a decision providing otherwise is adopted following a hearing held pursuant to  
2 this condition.

3 2. Pursuant to Section 10148 of the Code, Respondents shall jointly and severally pay  
4 the Commissioner's reasonable cost, not to exceed \$4,604.03, for an audit to determine if  
5 Respondents have corrected the trust fund violation(s) found in the Determination of Issues. In  
6 calculating the amount of the Commissioner's reasonable cost, the Commissioner may use the  
7 estimated average hourly salary for all persons performing audits of real estate brokers, and shall  
8 include an allocation for travel time to and from the auditor's place of work. Respondents shall  
9 pay such cost within sixty (60) days of receiving an invoice from the Commissioner detailing the  
10 activities performed during the audit and the amount of time spent performing those activities.  
11 The Commissioner may suspend Respondents license pending a hearing held in accordance with  
12 Section 11500, et seq., of the Government Code, if payment is not timely made as provided for  
13 herein, or as provided for in a subsequent agreement between Respondents and the  
14 Commissioner. The suspension shall remain in effect until payment is made in full or until  
15 Respondents enter into an agreement satisfactory to the Commissioner to provide for payment, or  
16 until a decision providing otherwise is adopted following a hearing held pursuant to this  
17 condition.

18  
19 20-June-13  
20 DATED

21   
22 TRULY SUGHRUE  
23 Counsel for Complainant

24 \* \* \*

25 I have read the Stipulation and Agreement, discussed it with my counsel, and its  
26 terms are understood by me and are agreeable and acceptable to me. I understand that I am  
27 waiving rights given to me by the California Administrative Procedure Act, and I willingly,  
intelligently and voluntarily waive those rights, including the right of requiring the  
Commissioner to prove the allegations in the Accusations at a hearing at which I would have the

1 right to cross-examine witnesses against me and to present evidence in defense and mitigation of  
2 the charges.

3  
4 6/17/13  
5 DATED

Keith Charles Knapp  
Keith Charles Knapp, on behalf of  
HOME LOAN SERVICE CORPORATION  
Respondent

7  
8 6/17/13  
9 DATED

Keith Charles Knapp  
KEITH CHARLES KNAPP  
Respondent

10 \* \* \*

11 The foregoing Stipulation and Agreement is hereby adopted as my Decision and  
12 shall become effective at 12 o'clock noon on SEP 03 2013.

13  
14 IT IS SO ORDERED 7/13/2013  
15

16 Real Estate Commissioner  
17 [Signature]  
18 Wayne S. Bell  
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